



Forest Governance in Federal Systems: Experiences and Lessons for Decentralization

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Forest Trends



Federal countries and forest sector decentralization

Purposes of this assessment:

- **Look at main features of forest governance in federal countries under the perspective of decentralization and their impacts on forest management**
- **Focus on key issues and derive lessons of experience**
- **Implications for future action**

Countries examined

Australia

Malaysia

Brazil

Nigeria

Canada

Russia

India

United States

Bolivia

Indonesia

Nepal

Federal governments: different by design

Federal governments: sharing responsibilities and authority between levels of government, each with substantial independence

Responsibility and authority usually granted by Constitution

Unitary governments: Sub-national governments are extensions of the national, central, government

Governance features of the countries examined

General forest governance features of the countries examined

- **In all countries government forest ownership is substantial, but there are significant variations**
- **Great variety of decentralization arrangements**
- **Some old (USA, Canada), some very recent (Indonesia)**
- **The horizontal and vertical distribution of responsibility and authority between government levels varies widely, and changes over time (Indonesia: districts; USA: federal; India, Australia: states)**

General forest governance features of the countries examined

- **In all cases forest administration agencies are relatively unimportant parts of government: followers rather than leaders**
- **In countries where the government owns the largest proportion of the forest, the central forest agencies tend to be very weak**
- **Numerous tensions between levels of government**
- **Permanent evolution even in old systems**

Lessons of Experience

Forest Decentralization and Inter Sector Linkages

- **Many agencies are involved in decentralization. USA FSSP: 30 agencies**
- **Adequate management of cross sector linkages is key to success**
- **Decentralization in the forest sector is successful only when harmonious decentralization in related sectors takes place**
- **Simultaneous fiscal, administrative and political decentralization is key to success but difficult to achieve**

Decentralization and Adequate Institutional Capacities

- **Effectiveness is highly dependent on managing entities at different levels. Institution building was required**
- **When inadequate capacity was present local governments tended to be captured by local vested interests**
- **When decentralization is characterized by inadequate local financial resources, tendency to unsustainable use of forest resources materializes**
- **But decentralizing financial resources without safeguards leads to unaccountability and misuse of public monies**

Decentralization and Participation

- **In all cases participation of civil society and the private sector play a role in securing success: administration of forest resources (incentives, capacity) and accountability**
- **But resistance to involve private sector and civil society actors has been a common feature**
- **In nearly all countries: local communities are important but often not included as legitimate participants in decentralization**
- **Advocacy groups are effective in promoting local participation**

Decentralization and the third level

- **Decentralization to the third level has proven to be generally difficult**
 - **Rarely vested with authority and responsibility**
 - **Seldom endowed with appropriate resources**
 - **Second level governments often unprepared to fulfill their intermediary role**
 - **Cultural biases**

Implications for decentralization initiatives

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- 1. Appropriate sharing of revenues, decision-making authority responsibility for forest management**
- 2. Accountability at all levels of government**
- 3. Appropriate linkages with other sectors**
- 4. Institutional capacity**

Sharing responsibility, authority, resources

Sharing Authority, Responsibility and Revenues

- **Convenience of parallel decentralization**
- **Balance between authority and responsibility for each level of government**
- **Strong central government guidance and control**
- **Local elites and, how to avoid local government capture?**
- **Clear rules of the game: appropriate normative framework**

Sharing Authority, Responsibility and Revenues

- **Transferring resources**
- **Local government revenue independence**
- **Local government incentives**

Accountability

Accountability

- **Well defined authority and responsibility**
- **Tensions among stakeholder can increase accountability**
- **Ensuring Transparency**

Participation and Linkages

Participation and linkages

- **Government-civil society**
- **Linkages between decentralized structures of government**
- **Decentralization and stratified societies**
- **Government-private sector**

Institutional Capacity

Institutional capacity

- **Knowledge/technical capacity**
- **Adequate resources**
- **Rights, authority, responsibility**
- **Accountability**

Federalism matters

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- **Federalism offers great opportunities to improve forest management**
- **But potentials also face great challenges**

Federalism matters

Among these, key elements of success are:

- **Building effective governance capacity at national, meso and lower government levels**
- **Balanced fiscal, administrative and political decentralization**
- **Accountability**
- **Linkages and participation**